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For Immediate Release

STATEMENT OF COMMISSIONER AJIT PAI

On Modernizing the Lifeline Program in a Fiscally Responsible Way

WASHINGTON, March 29, 2016.—Modernizing the FCC's Lifeline program to support affordable, high-speed Internet access for our nation's poorest families is a worthy goal. But failing to clean up the waste, fraud, and abuse in the program puts the entire enterprise in jeopardy. That's why I've proposed to my colleagues a compromise to update the Lifeline program in a fiscally responsible way.

First, I have proposed an annual budget of \$1.75 billion. This is enough money to offer Lifeline-supported Internet access to every single Lifeline-qualifying household that isn't online today, as well as to maintain landline voice service as proposed by Chairman Wheeler.

Second, I have proposed an enforceable budget mechanism that automatically reduces payments to carriers when the estimated costs of the program would exceed the budget. As Senator Claire McCaskill recently wrote us, a mechanism must "prevent a repeat of the unchecked increase in spending that was seen the last time the program was expanded." My proposal would do just that without denying any eligible consumer a Lifeline subsidy.

Third, I have proposed to eliminate the "enhanced" subsidy in counties with more than 50 people per square mile. This \$25 per subscriber subsidy was intended to support the construction of facilities in Indian Country, but has instead encouraged abuse of the program in large cities (like Tulsa, Oklahoma and Reno, Nevada) and suburban communities (like Chandler, Arizona, a suburb of Phoenix).

Fourth, I have proposed to set minimum standards of 25 Mbps for fixed broadband services and 4G LTE for mobile broadband services. As Chairman Wheeler has put it, these speeds are "table stakes" for digital consumers in the 21st century. I believe low-income families and students deserve a seat at the table.

We have a rare chance to modernize the Lifeline program and restore fiscal discipline to the Universal Service Fund. I hope my colleagues will join me and make this a bipartisan effort.

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